

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



February 26, 2003

ALL-COUNTY LETTER NO. 03-09

TO: ALL COUNTY WELFARE DIRECTORS  
ALL FOOD STAMP COORDINATORS  
ALL FSET COORDINATORS

**REASON FOR THIS TRANSMITTAL**

- { } State Law Change
- { } Federal Law or Regulation Change
- { } Court Order
- { } Clarification Requested by One or More Counties
- { x } Initiated by CDSS

SUBJECT: FOOD STAMP EMPLOYMENT AND TRAINING (FSET) PROGRAM  
POLICY GUIDANCE AND COUNTY PLAN INSTRUCTIONS

REFERENCE: ALL COUNTY LETTER 02-75 ANNUAL FSET PLAN INSTRUCTIONS  
FOR FEDERAL FISCAL YEAR (FFY) 2003; MANUAL OF POLICIES  
AND PROCEDURES (MPP) SECTIONS 63-407 AND 63-410

This All County Letter (ACL) provides policy guidance to counties offering a FSET program during FFY 2003. In its review of county FSET plans for FFY 2003, the California Department of Social Services (CDSS) identified several program and fiscal areas that need clarification to ensure that counties are in compliance with federal and state rules, reporting requirements, and plan instructions governing the FSET program.

The guidance and instructions in this letter will not only assist counties with implementation and on-going operation of their FSET programs during FFY 2003, but also in development of their FSET plans for FFY 2004. In addition to the plan guidelines issued via ACL 02-75, dated October 3, 2002, counties offering FSET programs must immediately incorporate the policies below in the design and administration of their programs.

**Use of FSET Funds**

As specified in a letter to California from the U.S. Department of Agriculture, Food and Nutrition Service (FNS), dated September 17, 1998, FSET funds may not be used for mental health and/or substance abuse treatment that are medical (i.e., the treatment of a diagnosed condition by a physician or psychologist). FSET funds may be used for non-medical drug and alcohol rehabilitation and mental health counseling that are offered in combination with an allowable FSET component. The activities must provide social and support services such as discussion groups and counseling, which enhance the participant's employability. Hours of participation must comprise less than 25 percent of the combined FSET activities. Federal FSET funds cannot be used to

supplant nonfederal funds for drug/alcohol rehabilitation activities that are supported by funds from the state, counties, or local jurisdictions.

FSET funds may not be used to provide post-FSET services to persons who are no longer participating in FSET components. Examples of post-FSET services include drug/alcohol rehabilitation and domestic violence counseling to former FSET recipients.

### **Federal FSET Participation Requirements and the ABAWD Work Rule**

Workfare satisfies the Able-Bodied Adult without Dependents (ABAWD) work requirement even if hours of participation are less than 20 per week. Hours of workfare participation are always determined by dividing the household's food stamp allotment by the higher of the federal or state minimum wage. A county may require participation in workfare concurrent with participation in other components, but it is not required to do so for purposes of satisfying the ABAWD work requirement.

FSET programs must not include participation requirements beyond the maximum hours established for FSET. MPP Section 63-407.856 specifies that the maximum hours of participation imposed on each FSET participant shall not exceed 120 hours per month, including non-work and work component hours, and hours worked for compensation, in cash or in kind.

### **Use of Quarterly Reports for the Annual FSET Plan**

Counties must report timely and accurate data on their quarterly STAT 40 and STAT 46 reports. There is a direct relationship between the estimates that are provided on the counties' annual FSET plans and the data reported on their STAT 40 and STAT 46 reports. FNS uses the work registration and ABAWD data from these documents to determine California's 100 percent federal FSET allocation, and its allotment of 15 percent ABAWD exemptions and to monitor the states' level of FSET program activities and expenditures. In order to establish a correlation between the actual numbers reported and estimates counties provide in their FSET plans, the numbers reported on the STAT 40 and 46 should be used as a baseline figure.

### **FSET Deferrals**

In Part II, Table 1 of the FSET county plan guidelines, counties are instructed to list the number of work registrants who are categorically and individually deferred from FSET participation. Several counties entered zero in all of the deferral categories. A deferral must always be offered if an individual meets one of the criteria specified in MPP Section 63-407.811. Counties are reminded to include in their plan projections of the estimated number of individuals who would meet the deferral criteria.

### **15 Percent Exemption**

- As specified in ACIN I-02-02, counties are encouraged to apply the 15 percent exemption as appropriate. The 15 percent exemption cannot be granted to an individual until three out of 36-month ABAWD months have been used and the individual is about to be terminated from food stamps. For example, a county includes remoteness as one of its 15 percent exemption criteria. An individual first becomes subject to the ABAWD work requirement in July and he lives in a remote part of the county. The county cannot grant the exemption until October assuming the individual failed to meet the work requirement during July, August and September.

If you have any questions regarding this letter, please contact Tony Pyara, at (916) 657-2630 or Robert Nevins, at (916) 654-1408.

Sincerely,

***Original Document Signed By  
Bruce Wagstaff on 2/26/03***

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

c: CWDA  
CSAC